

~~OFFICIAL USE ONLY~~

*CC
S*

JPRS: 4520

12 April 1961

VISIT TO INDONESIA

By Tani Masayuki
Chairman, Japan-Indonesia Association

REF ID: A650010 MAIN FILE

Reproduced From
Best Available Copy

19990119 135

DTIC QUALITY INSPECTED 8

U. S. JOINT PUBLICATIONS RESEARCH SERVICE
1636 CONNECTICUT AVE., N.W.
WASHINGTON 25, D.C.

~~OFFICIAL USE ONLY~~

F O R E W O R D

This publication was prepared under contract by the UNITED STATES JOINT PUBLICATIONS RESEARCH SERVICE, a federal government organization established to service the translation and research needs of the various government departments.

OFFICIAL USE ONLY

"Existing laws relating to copyright make necessary
that this text be restricted to the official use of
the U. S. Government. Copyright by Toho Tsushin Sha
(Eastern Press), 1 February 1961."

JPRS: 4528

CSO: 1565-S

VISIT TO INDONESIA

[Following is a translation of an article by Tani Masayuki, Chairman of the Japan-Indonesia Association (Nihon-Indonesia Kyokai), in Toho Hanzeikan (Eastern Semi-Monthly), No. 27, Tokyo, 1 February 1961, pages 22-25.]

The political situation and economy of Indonesia has been stabilized contrary to speculation. In a long-term view, Indonesia is better off than Malaya.

The Masses Are Not Blind

For two months last fall I stayed in Indonesia and inspected many phases of Indonesia and returned home toward the end of October by way of Singapore, Malaya, Thailand, Hong Kong and Taiwan.

My trip was not an ordinary pleasure trip; instead it was a trip with a purpose in connection with my position. Even if I put this point aside, we cannot grasp anything correctly in Southeast Asia if we ignore the situation that the area is a place where the cold war between East and West is being waged. Indeed, the late-developing areas of Asia and Africa are focal points in the present-day cold war. Needless to say, the free world camp attempts to preserve and further expand the freedom of the nations in these areas. Freedom essentially comes from order. On the other hand, the Communist camp seeks liberation and equality in these areas, but not necessarily order. Therefore, the outcome depends on the choice of the way of life that these Afro-Asian nations make; this has become the object of struggle between East and West. For this reason, all sorts of competition, visible and invisible, from the East and West camps are being brought into these areas.

OFFICIAL USE ONLY

However, many young nations have not yet reached a stage where they choose between the two different ways of life. These nations have more than sufficiently experienced the pains of capitalist colonial policy. And yet they have come to realize the essence of Communism; for this reason, they have consciously resisted Communism so that they should not be gobbled up by it. Immediately after acquiring their independence after the war, these nations would jump indiscriminately at Communism; but of late it is not so any longer. At any rate, they want to swim through the waves of the cold war between East and West and consummate their nation-founding. The leaders of late-developing nations have become wiser. It was quite a shrewd piece of maneuvering that India, Indonesia, United Arab Republic, Yugoslavia and Ghana staged at the United Nations session last year when they submitted the five neutral nations resolution calling for negotiations between the United States and the Soviet Union.

Of late, a conference of main African leaders was also held at Casablanca, Morocco. This might be construed as an orientation toward a kind of African Monroe Doctrine. Consequently, should the West and the Communists pursue policies solely in their own interests, the results might turn out to be quite contrary to expectation. The fact that young nations of the under-developed areas stand for neutralism is caused by such an inevitable background. Each nation is under different circumstances, but a common factor is found among powerless young nations that desire to avoid, by virtue of neutralism, the cold war, and to obtain aid from both camps for their nation-founding, and to contribute concurrently to a relaxation of world tension. Not only leaders but also the masses are gradually being awaken. The masses follow the leaders, and the leaders strive not to be alienated from the masses. When distance between the leading and the led is developed, a revolution is the upshot. The coup d'etats in Laos and South Vietnam last year are good proofs for this point.

The thinking was a mistake on the part of the United States and aid in arms and money to a certain regime could strengthen that regime. The fact is that the well-intended aid money has fattened the pockets of certain high-ranking government officials and privileged classes, and has resulted in bringing forth despotic and corrupt politics. Based on such bitter experiences, the new Kennedy administration will hammer out a drastically renovated aid policy toward late-developing nations. It is wrong to think that the masses are totally ignorant; they have experienced good and bad administrations with tears and toil. They are not blind at all.

OFFICIAL USE ONLY

From such a viewpoint, a new look at the American policy toward Southeast Asia is expected.

Now, let me go on to relate on the Indonesia that I have mainly inspected.

The Armed Forces Is a Stabilizing Factor
in the Political Situation

For a while there were rumors that the political situation in Indonesia was very unstable, that inflation was rampant, and that something might break out. But one finds this quite to the contrary when one travels the country in person. The political situation is stabilized, and it is improving. The Armed Forces has penetrated into all phases of politics and the economy of the country. It is totally different from the dictatorship of the old Japanese military cliques. Lt. Gen. Nasution (Minister of National Defense and Security and concurrently the Army Chief of Staff) and other military leaders are all revolutionary fighters and intellectuals. They feel that they cannot entrust corrupt political parties with the nation's politics. That is why they have gone beyond their primary duty of the army. They possess a strong sense of responsibility and take it as their responsibility to preserve and foster the outcome of the revolution. But they are determined not to let another revolution take place. Therefore, they are in strong opposition to the Indonesian Communist Party (Partai Kommunis Indonesia, PKI).

In those colonies that were ruled by Great Britain in the pre-war days, training in western democracy was carried out to some extent, and capable indigenous leaders were appointed to office, thus laying some groundwork for democracy. But in the case of Indonesia, such things were totally lacking. Into this situation, democratic politics of western parliamentarianism was abruptly introduced. To make matters worse, the country is spread over numerous islands; it is inhabited by many races and the illiteracy rate was nearly 90%. In short, there was no soil for democratic politics to grow.

In addition to this, there was a flood of major and minor political parties and this brought corruption in politics. The only incorruptible political party was the Communist Party. Moreover, this party mustered strong popular support as the only organized and disciplined political party. In the first general elections of 1955, the party won 38 seats to be the fourth largest party, and became the de facto largest party after the local elections of 1957. If

OFFICIAL USE ONLY

they had let the corrupt party politics alone, it is evident, the Communist Party would have become the victor.

President Sukarno and military leaders were much concerned with this situation. The upshot was that a presidential cabinet system with stronger presidential powers was realized and an endorsement-type parliament by political parties was made with limitations on organizing and activity. This is the so-called "guided democracy."

Even the Communist Party, if it is to avoid a violent revolutionary course, must depend on Sukarno. As for Sukarno, in turn, he will not attack the Communist Party strongly because it advocates internationally a neutral policy and enjoys support from many people at home. Rather, this party should be guided and utilized. Therefore, some view points may have it that the Sukarno regime is propped on the two legs of the Army and the Communist Party.

On the other hand, as for the Army, it needs an enlisting of Sukarno's appeal to the masses, by all means. There, a coalition of Sukarno and Nasution is born. In other words, Sukarno's leadership and the Army's capability form the core of the administration. This, in turn, is trusted by the United States and other nations. Lt. Gen. Nasution is a very conscientious and reliable person. Since the Sukarno administration is stabilized in this way, the Indonesian Communist Party must follow an "Indonesian" nationalist line.

"Guided Economic" Policy

Now going into the Indonesian economic policy, the Sukarno administration has also taken the "guided economic" policy. Until about last summer, the policy has been oriented toward an extreme state socialism. The policy has stipulated a ban of economic activity by Chinese merchants in the rural areas. It is already a well-known fact that as a result of this circulation of commodities and collection of local products have been severely hindered, and the bad effects of this became numerous. There were over 10,000 Chinese merchants in the rural areas who were prohibited to operate their businesses and expelled. Many of them repatriated to China or Taiwan. Inflation was severe around last spring and the value of the rupiah dropped without a halt. At the worst time, the rupiah was down to 700 or 800 to a dollar.

On the other hand, although they could expell Chinese merchants in the rural areas without serious repercussions, this could not be done so at the national level because the

OFFICIAL USE ONLY

Chinese merchants hold real reins on the economy to a large extent. Therefore, the State permitted, since about last August, about one half of import-export to be handled by civilians. In other words, trade that was operated hitherto solely by state-operated firms was relaxed. When one speaks of civilians, only the Chinese are capable.

Since then, the economic world has been considerably stabilized. When I was there, the rupiah recovered as much as to 200 to a dollar. At present, I believe, the rupiah is worth 100 to a dollar. So the Indonesian economy is gradually recovering.

Although the anti-government forces, a cancer in the maintenance of public security, are still in the hills south of Bandung, the number has gradually decreased to below 20,000 due to lack of arms supply to the rebels. In the near future, they will be annihilated. The question of nationality for Chinese residents has been solved, for the time being, by the ratification with Communist China of the "Dual Nationality Disposition Agreement for Chinese Residents" last January. Since the situation inside Communist China has become known little by little, it is said of late that many Chinese have now applied for citizenship in Indonesia.

Indonesia is receiving many different types of aid from East and West camp nations, the United Nations and other sources. The foremost source among them is naturally the United States. That nation has poured in a total of 600 million dollars in surplus agricultural products, technical assistance and credits. The Bandung Medical College is also aided by the American. Against this, the Soviet Union gave 100 million dollars at first and 250 million dollars last year, bringing the total up to 350 million dollars; but few concrete things have come out of this. The Soviet Union is aiding the country in its construction of a stadium for the forthcoming Asian Olympic games, and in social facilities such as construction of hospitals.

At this point, Japan has not offered any aid except its reparation. However, this reparation cannot be ignored, because it amounts to over 20 million dollars every year. With this, Indonesia has purchased ocean vessels and machinery materials from Japan. In total, perhaps this will not be less than Soviet aid. Construction firms such as Kashima and Taisei are building ports and roads with this money. In the way of economic cooperation, technical assistance to the Permina Petroleum Company for petroleum-industry development in North Sumatra has been agreed upon and the first shipload of facility materials has already departed Japan.

OFFICIAL USE ONLY

In short, the political situation and economy of Indonesia have been stabilized and the country has good future prospects. The only difficulty is that, different from countries like Malaya, Indonesia must found a completely new nation starting from nothing. But in the long-term view, Indonesia has a far better prospect than Malaya.

The Japanese tend not to try to appreciate such situations because they are short-tempered. Even in the case of the Dutch aircraft carrier Doorman, Japan gave uncalled-for provocation to the Indonesian people. At present, Dutch troops and former officials-turned-businessmen are assembled in West Irian. Yet, no matter who may be elected President, the Indonesians are firmly determined to recover West Irian at all costs. Productivity in Indonesia is still low, but in resources, the country is as well endowed as the United States. And the national territory and the territorial waters are spread so extensively that they are enough to cover the entire United States. The Indonesians expect much of Japan and we would like to give our hearty cooperation to their nation-founding. (As told)

10,372

- END -